

2

UNITED PRESS INTERNATIONAL
20 September 1984

REWALD
WASHINGTON

A now-bankrupt firm owned by Ronald Rewald was used by the Central Intelligence Agency to conduct intelligence operations and make secret shipments of weapons to foreign countries, ABC News reported.

ABC said Wednesday night that it learned the agency was heavily involved in the firm of Bishop, Baldwin, Rewald, Dillingham & Wong and used it for a number of operations, one of which violated an international treaty.

Rewald, who has been jailed on charges of swindling 400 investors out of \$22 million, has repeatedly said he was a CIA agent and his firm was an agency front.

The CIA has admitted a 'slight involvement' with the company but refuses to say whether Rewald was an agent. ABC said, however, the CIA has admitted to the House oversight and investigation subcommittee Rewald was an agent with a signed secrecy agreement.

Thomas Hayes, appointed by the court as the company's bankruptcy trustee, confirms Bishop, Baldwin was used as a commercial cover operation by the CIA. 'But that doesn't justify stealing \$22 million of someone's money,' he said.

Rewald, who faces 100 counts of fraud, tax evasion and perjury, denied the money was gone at all. He told ABC it was merely transferred to different banks under other names, the report said.

Bishop, Baldwin consultant Robert Jinks, who also said he was a CIA agent, told the network he has seen documentation of undercover operations being carried on by the company.

Jinks said he and Rewald went to Hong Kong on a clandestine mission to spread scare stories about the financial impact of China taking over the colony when Britain's lease runs out in 1997.

'We were doing our part, just like everyone else was, to keep that money flowing towards the United States as opposed to Europe or some other country,' Rewald said.

ABC also said its six-month investigation disclosed Bishop, Baldwin was involved in arranging secret arms shipments to countries such as Syria, India and Taiwan.

Russell Kim, another agent according to the network, said in a sworn statement the Taiwan shipment included such items as laser-sighting devices for M-16 rifles, armored personnel carriers and M-60 tanks.

The multimillion-dollar deal enabled the CIA to circumvent the United States' agreement with Mainland China not to supply certain offensive weapons to Taiwan, ABC said.

Among the 400 investors of the firm were Gen. Arnold Braswell, Pacific Air Force commander, and two former CIA station chiefs in Honolulu.

Although both the Securities and Exchange Commission and IRS have filed charges against Rewald, ABC said an earlier confidential SEC report it has **Continued**

2.

obtained showed the commission found no violations in the firm's investment activities.

Evidence from several sources confirmed the CIA was able to stop an initial IRS investigation, the network said.